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LAND REFORM IN AFGHANISTAN (LARA) GRANTS MANAGEMENT PLAN (GMP)

SEPTEMBER 2011

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LAND REFORM IN AFGHANISTAN (LARA)

GRANTS MANAGEMENT PLAN

SEPTEMBER 2011

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

TABLE OF CONTENTS

TABLE OF CONTENTS	I
ACRONYMS	III
GRANTS PROGRAM OBJECTIVES	VII
GRANTS MANAGEMENT PLAN ORGANIZATION	VIII
1.0 PUBLIC NOTICE/IDENTIFY POTENTIAL GRANTEES	1
1.1 ELIGIBLE APPLICANTS	1
1.2 INELIGIBLE APPLICANTS	1
1.3 ELIGIBLE ACTIVITIES	2
1.4 INELIGIBLE ACTIVITIES	2
1.5 TARGET AREAS	2
1.6 PUBLIC NOTICE	2
1.7 ANNUAL PROGRAM STATEMENT (APS) OR A REQUEST FOR APPLICATIONS (RFA)	3
1.8 CONCEPT PAPER	4
1.9 CONCEPT PAPER EVALUATION	5
1.10 HOLD “NEXT STEPS CLINICS”	5
1.11 GRANT APPLICATION PROCEDURE	6
1.12 COST SHARING	7
2.0 EVALUATION AND SELECTION OF APPLICATIONS	9
2.1 APPLICATION EVALUATION	9
2.2 NOTIFICATION OF APPLICANTS	11
2.3 UNSOLICITED CONCEPT PAPERS AND APPLICATIONS	11
2.4 NON COMPETITIVE AWARDS	12
2.5 EXCEPTIONS TO COMPETITION	12
3.0 PRE-AWARD AND NEGOTIATION	13
3.1 PRE-AWARD RESPONSIBILITY DETERMINATION (PARD) AND SIMPLIFIED PRE-AWARD SURVEY (SPAS)	13
3.2 COST AND BUDGET ANALYSIS	14
3.3 ENVIRONMENTAL ASSESSMENT AND REVIEW	14
3.4 NEGOTIATION MEMORANDUM	15
3.5 CERTIFICATION REGARDING TERRORIST FINANCING (ATC)	15
3.6 EXCLUDED PARTIES LISTING SYSTEM (EPLS) & OFAC/SDN AND BLOCKED PARTY LIST	15
4.0 GRANT AWARD PROCESS	17
4.1 ESTABLISHING GRANT TYPES AND FORMATS	17
4.2 TERMS AND CONDITIONS OF GRANT AGREEMENT	18
4.2.1 Termination Rights	18
4.2.2 Official Language	19
4.2.3 Branding and Marking	19

4.2.4 Tax Reporting.....	19
4.2.5 Prohibition against Terrorist Financing	19
4.2.6 Mandatory Standard Provisions (MSP).....	20
4.3 OBTAIN TETRA TECH ARD HOME OFFICE APPROVAL.....	20
4.4 OBTAIN USAID APPROVAL	20
5.0 GRANT ADMINISTRATION.....	23
5.1 GRANTEE CODE OF CONDUCT.....	23
5.2 FINANCIAL MANAGEMENT	23
5.2.1 Grantee Bank Account.....	23
5.2.2 Grantee Accounting	23
5.2.3 Disbursement – Advance and Reimbursement	24
5.2.4 Direct Payment to Vendor	24
5.2.5 Financial Reporting forms	25
5.3 TITLE TO AND USE OF PROPERTY	25
5.4 PROGRAM INCOME.....	25
5.5 REPORTING	25
5.6 PERFORMANCE MONITORING	26
5.7 MONITORING GRANTS UNDER CONTRACT (GUC)	26
5.8 MODIFICATION OF GRANTS.....	26
6.0 GRANT CLOSE-OUT.....	29
6.1 PREPARATION FOR GRANT COMPLETION	29
6.2 FINAL SITE VISITS.....	29
6.3 GRANT EVALUATION	30
6.4 AUDITS	30
6.5 GRANTEE RECORD RETENTION	30
6.6 GRANT AGREEMENT COMPLETION LETTER	30
6.7 GRANT RECORDS	30
ANNEXES.....	33

ACRONYMS

AAPD	Acquisition and Assistance Policy Directive ¹
ADS	Automated Directives System
AEC	Application Evaluation Checklist
AEF	Application Evaluation Form
AGGMG	ARD Global Grants Management Guide
AMN	Award Modification Notice
APS	Annual Program Statement
ATC	Anti-Terrorism Certificate
BMP	Branding and Marking Plan
CO	Contracting Officer
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
CSR	Cost Share Reporting Form
EPLS	Excluded Parties List System (List of Parties Excluded from Federal Procurement and Non-Procurement Programs)
FAR	Federal Acquisition Regulations
FOG	Fixed Obligation Grant
FTR	Federal Tax Reporting Form
GA	Grants Application
GBAR	Grantee Bank Account Reconciliation
GM	Grants Manager
GMP	Grants Management Plan
GS	Grants Specialist
GUC	Grants Under Contract
HO	Home Office
LARA	Land Reform in Afghanistan
MSP	Mandatory Standard Provisions
NGO	Non-governmental Organization
NM	Negotiation Memorandum
OFAC	Office of Foreign Assets Control
PARD	Pre-Award Responsibility Determination
PIO	Public International Organization
RAASP	Required As Applicable Standard Provisions
REC	Review and Evaluation Committee
RFA	Request for Applications
SG	Standard Grant
SGM	Senior Grants Manager (ARD Home Office)
SiG	Simplified Grant Agreement
SPAS	Simplified Pre-Award Survey
TO	Technical Officer
USAID	United States Agency for International Development

¹ AAPDs provide information of significance to contracting personnel including (but not limited to): advance notification of changes in acquisition or assistance regulations; reminders; procedures; and general information.

INTRODUCTION

The Afghanistan LARA Grants Management Plan (GMP) provides the narrative framework for managing Grants Under Contract (GUC) under USAID contract no. 306-C-00-11-00514-00. The GMP is intended to provide the Land Reform in Afghanistan (LARA) with consolidated resources for grants administration in accordance with USAID's policies, regulations, and the terms and conditions of the aforementioned prime contract.

Tetra Tech ARD is committed to the highest ethical standards for all its projects. Therefore, Tetra Tech ARD will establish for LARA ethical standards to ensure prevention, detection, and mitigation of conflict of interests, kickbacks, and bribery to prevent mismanagement by LARA staff and grantees.

The GMP is intended to be used along with the annexes that provide forms, applications, and procedural documentations required for an efficient and accountable grants management program. Some of the annexes provided may be updated or modified to best suit the diverse needs of the operating environment in Afghanistan. In addition, Tetra Tech ARD maintains a Global Grants Management Guide (AGGMG) which is an internal grants management handbook designed to serve as a guideline for LARA staff and, as appropriate, for the grantees. The LARA project may further tailor the GMP to ensure flexibility to programmatic needs while maintaining full compliance with USAID and Tetra Tech ARD's rules and regulations.

In accordance with Section H.13 Grants Under USAID Contracts of USAID contract no. 306-C-00-11-00514-00:

Under this contract Tetra Tech ARD will execute grants on behalf of USAID. If Tetra Tech ARD awards grants under this contract, Tetra Tech ARD shall comply in all material respects with USAID's Automated Directives System (ADS) Chapter 303 (including mandatory and supplementary references) in awarding and administering grants, as well as the Code of Federal Regulations 22 CFR 226. Tetra Tech ARD shall request confirmation of Mission Director approval for issuing grants under contracts under this contract prior to engaging in this activity.

In addition, the following requirements shall apply to the grants awarded by the Contractor under this contract:

- a. The total value of any individual grant to any US non-governmental organization shall not exceed \$100,000. (This limitation does not apply to grant awards to non-U.S. non-governmental organizations)
- b. Tetra Tech ARD shall only execute grants under contract when it is not feasible to accomplish USAID objectives through normal contracts and grants awards executed by USAID because either the burden of executing a number of small grant activities is particularly difficult for the responsible USAID Mission or office, or the grant program is incidental and relatively small in comparison to other technical assistance of Tetra Tech ARD.
- c. USAID shall be substantially involved in establishing selection factors and shall approve the selection of grant recipients. Unless otherwise directed by the Contracting Officer, the CTO shall have authority to approve the grant recipient selection.
- d. Requirements which apply to USAID-executed grants shall also apply to the grants executed by Tetra Tech ARD.
- e. USAID retains the right to terminate the grant activity (activities) unilaterally in extraordinary circumstances.

- f. Tetra Tech ARD shall not execute or administer Cooperative Agreements on USAID's behalf.
- g. Tetra Tech ARD shall close out all grants prior to the estimated completion date of contract no. 306-C-00-11-00514-00. Tetra Tech ARD shall comply in all material aspects with Contract Information Bulletin (CIB) 90-12 regarding grant close-out.

GRANTS PROGRAM OBJECTIVES

The United States Agency for International Development (USAID) Land Reform in Afghanistan Project (LARA) is managed by Tetra Tech ARD under USAID Contract No. 306-C-00-11-00514-00, with implementation assistance from its partners Tetra Tech DPK, International Land Systems (ILS), Development & Training Services Inc (dTS), and Landesa (formerly the Rural Development Institute). LARA's primary government partners are Arazi (formerly the Afghan Land Authority), the Ministry of Urban Development Affairs (MUDA), the Independent Directorate of Local Governance (IDLG), as well as the Supreme Court and selected local municipalities.

The purpose of USAID's LARA project is to develop a robust, enduring, and Afghan-owned and-managed land market framework that encourages investment and productivity growth, resolves/mitigates land-based conflict, and builds confidence in government's legitimacy, thereby enhancing stability in Afghan society.

The Project continues USAID/Afghanistan's support for land reform and land rights strengthening that began through the earlier LTERA Project. The LARA Project currently comprises an 18-month Base Period and an 18-month Option Period, with a contract amount of \$41.8 million.

LARA is designed to contribute to USAID's AO and Afghanistan National Development Strategy. Three influences will help shape LARA's contributions to this Objective: (1) the foundations provided by the former USAID Land Tenure and Economic Restructuring in Afghanistan (LTERA) project that provides a starting point and methods that can be adapted; (2) USAID/Afghanistan management objectives including Afghanization and conflict mitigation; and (3) the following major LARA objectives:

1. Improve property rights delivery (land administration and formalization);
2. Enable all citizens (women, minorities, and vulnerable populations) to exercise their rights through public information awareness (PIA);
3. Strengthen land dispute resolution processes to reduce conflict and promote peace and stability;
4. Promote economic development through clear and enforceable property rights, PIA, land rights delivery, and land dispute resolution; and
5. Strengthen institutional, policy, and legal reform to secure property rights for Afghan citizens;
6. Provide assistance in the cross-cutting areas of gender, training, PIA, and private sector development.

As specified in the Contract Section H.13, the Contractor may award grants to non-U.S. (or U.S.) non-governmental organizations. Tetra Tech ARD has a confirmation of Mission Director approval for issuing grants under contracts, which was approved on January 25, 2010. The total value of any individual grant to any U.S. non-governmental organization shall not exceed \$100,000. This limitation does not apply to non-U.S. organizations.

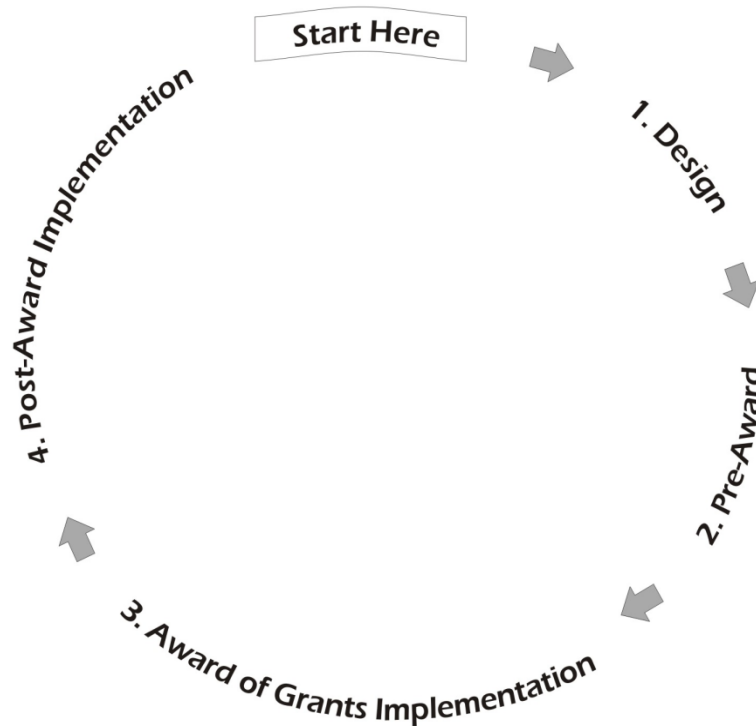
The LARA Grants Management Plan is a comprehensive document covering a variety of approaches in the event that the project's future grants strategy may change. Tetra Tech ARD's initial grants strategy will aim to provide targeted, Fixed Obligation Grants (FOG) below \$150,000 as appropriate but may choose to use Simplified Grants (SiG) as well. On rare occasions, Tetra Tech ARD may conclude that a

standard grant is a more suitable grant format for a specific activity. When this is the case, Tetra Tech ARD will follow the applicable USAID grant policies (ADS 303) governing standard grants and their use.

To facilitate expedited implementation of the grants program, Tetra Tech ARD intends to utilize noncompetitive exceptions to competition when applicable as authorized in Automated Directives System (ADS) 303.3.6.5.

GRANTS MANAGEMENT PLAN ORGANIZATION

Tetra Tech ARD has developed a flexible and creative approach in developing a GMP that responds to the needs and conditions at the local site of operation. At the same time, field operations must adhere to Tetra Tech ARD's systematic grant making process. Therefore, the GMP follows the four-phase grants cycle; 1) Design, 2) Pre-Award, 3) Award of Grants, and 4) Post-Award Implementation. Within the grant cycle there are four phases; each phase consists of different activities that need to be accomplished in order to advance to the next phase. These activities are further described later in this plan.



In addition, a set of annexes incorporate specific processes and forms related to the GMP. The GMP is intended to be used along with these annexes since these provide the necessary forms, applications, and procedural documentations required for efficient and accountable grants management. (These annexes may be updated or modified to best suit the diverse needs of the operating environment in Afghanistan.) In addition, Tetra Tech ARD maintains a Global Grants Management Guide (GGMG) which is an internal

grants management handbook designed to serve as a guideline for LARA staff and, as appropriate, the Grantees.

1.0 PUBLIC NOTICE/IDENTIFY POTENTIAL GRANTEES

Tetra Tech ARD relied on the specific contractual guidelines and USAID regulations to establish eligibility requirements for grant applicants. Approval from USAID is required before issuing any Grants under Contract (GUC). Tetra Tech ARD will ensure that each prospective grantee does not appear on either (1) the List of Parties Excluded from Federal Procurement and Non-procurement Programs¹ or (2) the List of Individuals or Entities that Commit or Pose a Significant Risk of Committing Terrorist Acts² (SDNBP).

1.1 ELIGIBLE APPLICANTS

Tetra Tech ARD may issue grants to U.S. and non-U.S. NGOs, provided that they are legally registered and recognized under the laws of Afghanistan. Grantees may include:

- National, regional, and local organizations;
- Non-U.S. NGOs;
- U.S. NGOs;
- Foundations and universities;
- Private enterprises or firms;
- Business associations; and
- Legally-organized associations of the above organizations.

In addition, the grantees must demonstrate that they:

- Possess sound managerial, technical, and institutional capacities to achieve project results.
- Possess and apply a system of internal controls in order to safeguard assets and to protect against fraud, waste, and conflicts of interest;
- Are in good standing with all civil and fiscal authorities;
- Possess financial accountability and maintain detailed records of all expenses; and
- Are willing to sign applicable assurance certifications.

1.2 INELIGIBLE APPLICANTS

The following organizations are *not* eligible for LARA grant funding:

- Political parties, their subsidiaries or affiliates;
- Organizations that appear on the List of Parties Excluded from Federal Procurement and Non-procurement Programs or U.N. 1267 list;

¹ This list can be located at <http://epls.arnet.gov>. At this web address, in the upper left-hand corner, there is an option to search by State/Country.

² This list can be located at <http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>.

- Organizations that promote or engage in illegal activities or anti-democratic activities;
- Faith-based organizations that are not in compliance with ADS303.3.6.4.m, which is in accordance with Executive Order 13279, Equal Protection for the Laws of Faith-based Community Organizations;
- Any entity affiliated with Tetra Tech ARD, its officers, directors or employees;
- Any governmental organization; and
- Any Public International Organization (PIO).

1.3 ELIGIBLE ACTIVITIES

LARA will use the grants program and an expedited process to quickly fund and operationalize grants to NGOs, private sector firms and educational institutions in targeted areas. The potential grant activities include:

- Legal Advocacy
- Gender (Land Rights)
- Dispute Resolution
- Technical Survey/mapping training within educational institutions
- Land Use mapping
- Digitization and scanning services

1.4 INELIGIBLE ACTIVITIES

Grant funds will not be used for the following activities:

- For activities which duplicate the activities of other U.S. Government-supported program or programs conducted by other organizations in Afghanistan. (In the event that an application reveals such duplication, the applicant will be advised appropriately of other U.S. program or other potential funding sources for such activities).
- For activities which are inconsistent with international standards of human rights or with democratic goals of racial and ethnic tolerance and harmony.
- For ceremonies, parties, celebrations, or “representation” expenses except for those which are specified in the grant (for example, opening ceremonies) to promote the visibility of USAID in the eyes of the communities USAID is trying to serve.
- Activities not approved by USAID.

1.5 TARGET AREAS

The target area and reach of the program will be throughout Afghanistan.

1.6 PUBLIC NOTICE

LARA will encourage competition in the award of grants to the maximum extent practicable in order to identify and fund grant projects that support the LARA’s objectives. Public notice is intended to make the community-at-large aware of the available grant funding. The notice should:

- Present the objectives of the grant funds;
- Explain how potential applicants can access the grant funds;
- Describe any and all pre-requisites; and

- Inform potential applicants of the procedures that will be followed in competing for the grant funds.

The LARA project will use the following means to determine the most effective public notice/announcement:

- Advertising in local newspapers or the internet as applicable;
- Disseminating the notice to NGOs and Community Based Organizations (CBOs);
- Disseminating to radio stations or other media outlets;
- Disseminating the notice to the appropriate government stakeholders;

1.7 ANNUAL PROGRAM STATEMENT (APS) OR A REQUEST FOR APPLICATIONS (RFA)

The first step in the competitive process is the issuance of a public notice in the form of an APS or RFA following ADS 303.3.5.4 and 303.3.5.2. While RFAs will be the main mechanism used during the Base Period, should the project be awarded an Option Period, a public notice in the form of APSs could also be employed. APSs will be published once a year, either with an open-ended response, or a closing date at least six months after issuance. RFAs utilizing full and open competition will be published at least 30 days prior to receipt of proposals. When full and open competition is not required, LARA could release RFAs on a 15 or 21 day basis. In either instance, Tetra Tech ARD may opt to use a tiered competition process depending on the anticipated number of applications to be received. The tiered competition process will be conducted in accordance with ADS 303.6.2(d) and will use a concept paper for tier one and then a full application for tier two. When competition will not be tiered, applicants will be required to submit a complete application as outlined in section 1.9.

Table 1: Minimum Contents for RFAs and APSs

The RFA will contain:	The APS will contain:
<ul style="list-style-type: none"> • A Statement that the program is authorized under the Foreign Assistance Act; • General description of the objectives of the proposed grant activities; • Eligibility Requirements; • Evaluation criteria and detail on their importance; • Estimated funds available and number and type of awards if available; • Expected duration of support; • Suggested cost share, as applicable; • Mandatory references concerning grant administration; • Project point of contact information; • A statement that Tetra Tech ARD reserves the right to fund any or none of the application submitted; • Deadline for submission; • Sample grant application form; and • Required certifications. 	<ul style="list-style-type: none"> • A Statement that the program is authorized under the Foreign Assistance Act; • Objectives of the proposed grant activities; • Eligibility Requirements; • Evaluation criteria and detail on their importance; • Estimated funds available and number of awards if available; • Suggested cost share, as applicable; • Mandatory references concerning grant administration; • Project point of contact information; • A statement that Tetra Tech ARD reserves the right to fund any or none of the application submitted; • Closing date; • Sample grant application form. • Required certifications.

STAFFING ASSIGNMENTS

The LARA Grants Manager (GM), in close consultation with his/ her technical staff is responsible for coordinating the development of the project's public notice. The GM will provide administrative and financial portions of the public notice and the Technical Officer (TO) will provide the technical portion, including the terms of reference for the public notice. Once the public notice has been assembled by using the checklist of public notice requirements in the annex, the GM will submit the draft to Tetra Tech ARD's Grants Specialist (GS) and Senior Grants Manager (SGM) for compliance review and refinement as necessary. The Chief of Party (COP) approves the final version before it is published.

1.8 CONCEPT PAPER

When using an APS, LARA will require the submission of a concept paper for initial consideration. The inclusion of the concept paper procedure will allow LARA to efficiently review and screen concepts from a large number of applicants and minimize the financial burden for both LARA and the applicants. Tetra Tech ARD will develop a concept paper form, which will not exceed five pages (excluding budget and attachments) and will adhere to the following format:

1. Cover Page/Introduction
 1. Name and address of organization;
 2. Type of organization (e.g., non-profit, commercial, university, etc.);
 3. Contact point (phone and e-mail);
 4. Names of other organizations (federal and non-federal as well as any other USAID offices) to whom you are/have submitted the application and/or are funding the proposed activity; and
 5. Signature of authorized representative of the applicant, authorized to contractually obligate the applicant.
2. Technical Information
 1. Concise title and objective of proposed activity;
 2. Discussion of the problem, objectives, method of approach, amount of effort to be employed, anticipated results, and how the work will help accomplish LARA's mission as elaborated in the RFA or APS;
 3. Type of support the applicant requests from LARA (e.g., funds, facilities, equipment, materials and/or personnel resources); and
 4. Gender considerations.
3. Organizational Capacity
 1. Past performance on similar projects;
 2. Relevance of staff skills to the proposed program;
 3. Experience in geographic region;
 4. Soundness of accounting and procurement practices; and
 5. Capacity to adhere to USAID financial guidelines.
4. Supporting Information
 1. Proposed duration of activity;
 2. Certificate of Legal Status; and
 3. Certify that the concept paper is current, complete, and represents the Grantee's honest assessment of what is required to achieve project objectives.

1.9 CONCEPT PAPER EVALUATION

The concept paper review serves as a filter for concepts that are fundamentally flawed with little chance of making significant contributions to the overall project goals. This process is designed to prevent the Review and Evaluation Committee (REC) from spending time rating proposals that do not meet the minimum public notice standards.

The reviewers will indicate on the Evaluation Checklist whether to “Decline to Fund” or to “Proceed in Cycle.” The reviewers will state the reasons for determining why a concept paper or proposal should not be part of the REC’s review. All decisions will be made in writing and kept on file. The reviewers will ask the following questions:

- Does the concept addresses the goals of the project;
- Is the proposed activity is reasonable in its scope, approach, and/or expected results;
- Does the organization presents proof of a minimum level of organization capability, especially as it relates to finances;
- Do the items in the project budget are reasonable, allowable, and allocable; and
- Is the applicant barred from receiving grants from either the U.S. or the host country government.

A Concept paper will be marked “Decline to Fund” if the concept is:

- Incomplete;
- Submitted after the posted closing date;
- Non-compliant with technical objectives/thematic areas of the project;
- Non-compliant with priority geographic coverage of the project;
- Given a scoring of < 50 on the concept review; and/or
- From an organization that appears on the Excluded Parties List System (EPLS), U.N. 1267, or the Office of Foreign Assets Control (OFAC) SDN List.

Subsequent to the evaluation of the concept papers, those concepts that receive a positive evaluation will be required to submit a completed Grant Application (GA), which is outlined in section 1.11. The organizations whose concept paper receives a negative review will be informed in writing within 30 days after the review.

1.10 HOLD “NEXT STEPS CLINICS”

Preceding the issuance of the APS, LARA may decide to conduct a “Next Steps Clinic.”

The objectives of the clinic would be to:

- 1) Compress the processes of orienting potential grantees;
- 2) Identify and prioritize geographic areas and project objectives;
- 3) Solicit and distribute applications; and
- 4) Begin the process of providing assistance to less capable applicants.

In considering whether to conduct “Next Step Clinics” LARA will consider if such clinics will significantly accelerate grant-making and more comprehensively engage vulnerable groups than by relying solely on conventional methods of public notices and awaiting applications, or if these clinics will result in higher quality applications which in turn impact the efficiency of the review and evaluation process.

Another reason to consider holding Next Steps Clinics” would be to serve as a capacity-building exercise for potential grantees. The clinics might assist those organizations that may be technically qualified but do not possess the grant writing or USAID experience necessary to produce sound proposals. The clinics might also serve as an essential moment to transmit to the applicants the required commitment and level of effort required under USAID funded projects.

The objective of the clinics would be to help potential applicants have a better understanding of what will be required of them between the date of the Clinic and the anticipated date of signing a grant agreement. Following are some of the topics/events that are might covered during the Clinic:

- Discuss any additional assistance to move forward to the full application phase;
- Discuss pre-award requirements;
- Discuss grant formats;
- Discuss regulatory and statutory certification requirements;
- Review cost sharing and cost analysis;
- Review reporting requirements; and
- Environmental requirements if any.

STAFFING ASSIGNMENTS

The concept paper review (Annex A) is carried out by the GM and the technical staff. The GM’s main responsibilities include the applicants’ eligibility and the applicability and cost effectiveness of the budget. The technical staff will assess the concepts for a strategic fit with the overall LARA goals and objectives and assess the applicant’s past performance. Administrative and technical evaluation of concept papers will be conducted independently and the GM will compile a summary sheet that combines both evaluations. The GM will submit the results of the concept paper review to the COP, or his designee, who will authorize written notification of the outcome to the applicant.

1.11 GRANT APPLICATION PROCEDURE

Applicants will be requested to submit one original hard copy of their full proposal and budget in English and include, when possible, an electronic copy in Word and Excel format. All applications will be received in sealed envelope and LARA will stamp and provide a receipt. Application guidelines can be found in Annex B. Applications will be evaluated on the basis of the strategic fit, technical approach, organizational capabilities, gender consideration, and cost effectiveness.

The length and detail required of the full proposal shall depend on the nature of the activity proposed and responding organizations. For all applications there will be a limit of 25 double-spaced typed pages, not including the budget or attachments. Guidance on what level of detail will be considered acceptable for a particular size and type of proposal will be included in the RFA and APS.

There are no page limitations for the budgets, but applicants will be encouraged to be concise. Budgets should be fully supported by adequate cost data to establish the reasonableness of proposed program costs. At a minimum, budgets shall contain the following: a) a summary budget page of total costs, b) a detailed budget of cost inputs, and c) detailed budget notes and supporting justification of all proposed budget line items. A budget template is provided in the GA.

At the time of submission, the applicant’s agent must certify the application as being current, complete, and accurate.

1.12 COST SHARING

In keeping with USAID's policy (ADS 303.3.10, Acquisition and Assistance Policy Directive [AAPD] 02-10), the cost sharing is an important element of USAID-funded projects. While cost share is not a requirement for grantees under the LARA Contract, Tetra Tech ARD in general encourages a contribution from partners toward the total cost of the activity to support or contribute to the achievement of results. Among other things, cost sharing enables Tetra Tech ARD to mobilize additional resources for a program where funding is limited. It also demonstrates the grantee's commitment to the project. In order to enhance the success of the grants component, and to demonstrate commitment, applicants will be encouraged to propose cost sharing to be considered for funding. Cost sharing includes contributions, both cash and in-kind, which are necessary and reasonable to achieve program objectives and which are verifiable from the recipient's records. Cost sharing contributions may include volunteer services provided by professional and technical personnel, and un-recovered indirect costs. Grantees must account and report on cost share funding just as they would with the Tetra Tech ARD-funded portion of the project.

STAFFING ASSIGNMENT

Tetra Tech ARD may offer assistance as necessary to assist the grantees with limited capabilities to develop a full application. Often the grantees require additional assistance in developing a detailed budget and implementation plans.

2.0 EVALUATION AND SELECTION OF APPLICATIONS

Once the public notice, concept paper evaluation, and work with the applicants, if necessary, to submit the final grant application process has been completed, LARA will perform the evaluation and selection of applications. The final applications will be forwarded to the REC and each application will go through a formal written evaluation utilizing the Application Evaluation Form (AEF-Annex C).

LARA follows a standard procedure for receiving and evaluating grant applications to ensure integrity of the competitive process and transparency. LARA receives all applications in sealed envelopes and stamps them as ‘received’ and issues a receipt to the submitting organization. After the closing date for the RFA, LARA opens the application envelopes in the presence of at least two committee members. LARA logs each application to ensure that requested information is complete, and begins the application review process.

2.1 APPLICATION EVALUATION

Applications will be reviewed by the REC, which is comprised of Tetra Tech ARD’s Grants Manager non-voting member and at least three people from among the individuals listed below:

- LARA Chief of Party (COP);
- LARA Deputy Chief of Party/Technical (DCOP)
- LARA Respective Component Managers- those not involved directly in the application development;
- LARA Procurement/ or Financial Manager;
- LARA Sector experts;
- USAID Contracting Officer’s Technical Representative (COTR) or his/her designee.

The team of Evaluators will convene to evaluate the applications against the pre-established, transparent, and objective list of criteria as per the AEF (Annex C). The length of this step will be specified in the public notice, but it should, in all cases, be kept to the necessary minimum. The GM will establish a timeline for the evaluation stage, which will be shared with all evaluators.

At the onset of the final review, all of the evaluators will convene and the GM will provide them with a statistical overview regarding the number of applications, incomplete submissions, late submissions, submissions by geographic area, submissions by organizational type, and submissions by thematic area. The GM will then discuss the review and evaluation process

Tetra Tech ARD’s Grants Management Methodology ensures transparency, safeguards against corruption, and actively seeks to eliminate conflicts of interest by:

- Competing award opportunities utilizing a public notice.
- Maintains non-voting status for Grants Management staff that are members of the Awards Committee.
- Evaluating applications against pre-established selection criteria.
- Segregating duties between application developers and evaluators.
- Requiring all staff, grantees, and members of the Review and Evaluation Committee to certify in writing that no real or apparent conflict of interest exists.

including the Application Evaluation Checklist (AEC) and application files will be distributed to respective members for their objective evaluation.

The REC will formally evaluate and rank all proposals independently and uniformly in writing, using the AEC (Annex C).

Rankings will be based on the criteria and points, based on 100 as the maximum points allowed, listed below:

- **Strategic fit : 30 points**
 - a) Contribution toward Tetra Tech ARD success indicators (per Contract);
 - b) Sustainability of project results; and
 - c) Anticipated benefits to the beneficiaries.
- **Technical approach : 30 points**
 - a) Clearly-defined problem Statement;
 - b) Clearly- outlined goals;
 - c) Innovative technical approach; and
 - d) Potential obstacles identified and solutions provided.
- **Organizational capabilities: 20 points**
 - a) Past performance on similar projects;
 - b) Relevance of staff skills to the proposed program;
 - c) Soundness of accounting and procurement practices; and
 - d) Capacity to adhere to USAID financial guidelines.
- **Gender consideration: 10 points**
 - a) Focus on women's issues;
 - b) Impact on women's participation
- **Cost effectiveness: 10 points**

Total proposed costs will not be scored. Costs will be evaluated in terms of their feasibility, cost realism, reasonableness, completeness, allocability, and cost-effectiveness for undertaking activities outlined in the planning matrix. As technical scores converge, proposals that maximize direct activity costs including cost sharing and leveraging and that minimize administrative costs will be more favorably considered. The cost selection criteria, expressed in the form of questions below, will allow LARA to evaluate the applicants cost application:

- Is the proposed budget reasonable and cost-effective?
- Does the proposal minimize headquarters costs for managing the project in order to maximize the funds available for field-based activities?
- Does the proposal have a high percentage of cost share funds? Are there other leveraged funds or submitted funding proposals that could complement program activities?
- Applicant's representation of the cost share constitutes an eligibility factor and will not be separately evaluated.

Tetra Tech ARD will send a representative to conduct a site visit to confirm or add to the information in the grant application as needed. Proceedings from these meetings must be written and maintained in the grants file for inclusion into the Negotiation Memorandum.

Tetra Tech ARD recognizes the importance of a fair, objective, and transparent review and evaluation process. To this end, Tetra Tech ARD will take measures to ensure that each evaluator fully understands his/her responsibilities, that each member has a consistent understanding of the evaluation criteria through

use of the AEC and that no conflicts of interest exist. Once evaluators understand the process, including a thorough review of the AEC, the GM will assign applications to each member to objectively review and evaluate. Each application will be reviewed by at least three evaluators. As applications are evaluated, the AEC will be completed and submitted to the GM to ensure that the results of each evaluator remain confidential until the evaluation phase is complete. All applications must be returned to the GM on or before the established deadline. (The GM will impose a timely deadline for the review process.)

Additionally, the COP and the GM will take steps to ensure that each evaluator does not have any conflicts of interest with regard to the applications they will be reviewing. The evaluation checklist requires the signature of each evaluator. The following certification language is included above the signature line in both the concept paper and application evaluation checklist forms:

“By affixing my signature below, I hereby certify that I have no real or apparent conflict of interest concerning this application, the applicant, or any other consultant or businesses that may be involved in the referenced project.”

The review and evaluation process is designed to be transparent, objective, and measurable. Once the GM receives the completed evaluation forms, he/she will average the scores. Applications will be ranked by average score and based on the estimated available funding; and a corresponding amount of applications will be labeled “Proceed in Cycle.”

2.2 NOTIFICATION OF APPLICANTS

Upon the completion of the application evaluation, LARA will notify the applicants either as moving along in the process (tagged “Proceed in Cycle”) or as rejected (tagged “Decline to Fund”). Notification of approval or disapproval of all applications will be given to all applicants in accordance with ADS 303.3.7.1. The GM will provide the letter to the applicants.

In cases where the application has been tagged “Decline to Fund,” the applicant will be informed in writing by the Tetra Tech ARD GM. To the extent practicable, the applicant will be provided a brief explanation as to why the application was rejected.

Otherwise, if the applicant has been tagged “Proceed in Cycle,” notification will be provided in writing.

2.3 UNSOLICITED CONCEPT PAPERS AND APPLICATIONS

There may be instances where unsolicited applications are received. Although grant awards for these unsolicited applications are not the rule, if the applicant demonstrates unique, innovative, or proprietary capacity, and represents appropriate use of USAID funds (consistent with the USAID contract) they may be considered. However these unsolicited grant applications must receive USAID approval prior to award. The request for approval must include the justifications mentioned above for awarding an unsolicited application.

Aside from the few instances where an unsolicited application is approved, the grant program must be open to full and open competition. Public advertising for the RFA and APS ensures a full and open process. The grant applications process may be cyclical or open-ended and, in some instances, USAID also allows for pre-qualification competition. Pre-qualification competition is a two-tiered process in which an initial submission of an application is requested which only includes a summary of the proposed activity and cost proposal. For those applicants that are successfully chosen from the first round, a second round is requested for these applicants. The second round would call for the applicants to fill out the full application template.

2.4 NON COMPETITIVE AWARDS

In certain instances, the LARA team, in coordination with its implementing partners, may identify discreet projects that will contribute to the overall project objectives. These projects may result from technical studies identifying specific activities and partners. In other instances, USAID may have pre-identified grantees that are needed in order to achieve time-sensitive tasks. In these cases, LARA may decide to pursue a 'sole source award' and will work with the potential grantee to develop the project proposal in order to provide a more tailored pin-pointed project intervention. Sole source awards or other grants awarded on a non-competitive basis will be executed in accordance with ADS 303.3.6.5.

2.5 EXCEPTIONS TO COMPETITION

As stated above, there are circumstances where exceptions to competition may be warranted. In addition to unsolicited applications, the below listed circumstances are also considered to be justification for exception from the competitive process.

- Amendments and follow-on (no amendments for fixed obligation grants);
- Unsolicited applications;
- Exclusive or Predominant Capability;
- Small Awards - estimated total amount of \$150,000 or less and with a term of no more than one year. These awards may not be amended either to add funds beyond \$150,000 nor extend the date beyond one year from the original date of the award;
- Critical objectives of the Foreign Assistance Program;
- The Director of the Office of Procurement;
- Congressionally mandated programs; and
- All noncompetitive awards must be justified in writing, to the satisfaction of the Contracting Officer.

STAFFING ASSIGNMENTS

The GM, in close consultation with the technical staff and with guidance from Tetra Tech ARD's Home Office (HO) GS and SGM, will facilitate the application review process. The GM is responsible for documenting exceptions to competition and maintaining the official grant file.

3.0 PRE-AWARD AND NEGOTIATION

Tetra Tech ARD must be fully satisfied that an applicant is capable and qualified to manage the grant. Therefore, all applicants that submit applications that are tagged “Proceed in Cycle” will be subjected to Tetra Tech ARD’s pre-award determination process. The GM and the TO will review the application and supporting documentation for negotiation. Key applicant personnel will participate in the pre-award and negotiation phase with Tetra Tech ARD.

Some LARA grants may be In-Kind Grants to qualified Afghanistan organizations. The In-Kind Grants are used to provide non-cash assistance such as supplies, equipment, and services directly to the grantees. LARA assumes all procurement and payment responsibilities, therefore, aside from property standards, a review of the grantee’s financial and program management standards, procurement standards, reports and records is not considered necessary apart from a Simplified Pre-Award Survey (SPAS), which is in Annex D. Questions related to inventory control will be added.

3.1 PRE-AWARD RESPONSIBILITY DETERMINATION (PARD) AND SIMPLIFIED PRE-AWARD SURVEY (SPAS)

For Simplified Grants (SiGs), Fixed Obligation Grants (FOGs), and In-Kind Grants (IKG), TtARD will use the Simplified Pre-Award Survey (SPAS) (Annex D). With the recent changes to ADS 303 regulations on SiGs and FOGS, TtARD made provisions to allow advances under the simplified grants methods. If Tetra Tech ARD determines the use of a Standard Grant is in the best interest of the project and the grantee is eligible, the PARD (Annex E) will be used to determine Grantee eligibility. The pre-award process serves to assess the organizational capacity to determine whether the applicant is capable and qualified to manage the grant.

The SPAS method will be used in cases where it is anticipated that a grant to a Non-U.S. NGO is valued at less than USD\$500,000, and would utilize a SiG, FOG or In-Kind Grant. The SPAS consists of a simplified method of review of financial and program management, procurement standards, reporting, and recordkeeping. Annex D contains separate SPAS forms for the following types of grants:

- Simplified Grant (SiG) without advance
- Simplified Grant (SiG) with advance
- Fixed Obligation Grant (FOG) without advance
- Fixed Obligation Grant (FOG) with advance

For organizations that do not have prior experience with federal awards, that have deficiencies as noted in their most recent audit, or when the grant manager cannot arrive at a responsibility determination, Tetra Tech ARD will follow ADS 303.3.9.1(b), which requires that a detailed analysis be conducted to the applicant’s system to determine adequate internal controls and managements systems are in place to receive USAID funds.

When grants to Non-U.S. NGOs are valued at more than USD\$500,000 or a SG with advanced-method are anticipated, Tetra Tech ARD will rely on the PARD to make the eligibility determination. The PARD serves as a complete guide to performing pre-award responsibility determinations by conducting pre-award surveys and identifying steps to follow in a negotiation (including reviewing costs, project

objectives, and reporting requirements). The PARD adheres to USAID regulations concerning the determination of each Grantee's adequacy in terms of internal controls and practices.

If an applicant submitted an excellent application but has a history of poor performance, is not financially stable, has a insufficient management systems, has not conformed to the terms and conditions of a previous award, or is not otherwise responsible, the GM may impose additional requirements as needed, provided that the applicant is notified in writing as to:

- The nature of the additional requirements;
- The reason(s) the additional requirements are being imposed;
- The nature of the corrective action needed;
- The time allowed for completing the corrective actions; and
- The method for requesting reconsideration of the additional requirements imposed.

3.2 COST AND BUDGET ANALYSIS

The GM and/or the TO, along with a finance staff, will undertake budget negotiations with potential grantees prior to an award. The purpose of the cost analysis is to assist in determining:

- The extent of the prospective applicant's understanding of the financial aspects of the project and the applicant's ability to perform the activities with the funds requested; and
- The extent to which the applicant's plans will accomplish the project objectives with reasonable economy and efficiency.

A comprehensive cost analysis consists of the following: 1) obtaining cost breakdowns; 2) verifying cost data; 3) evaluating specific elements of costs; and 4) examining data to determine the necessity, reasonableness, and allocability of the costs reflected in the budget and their allowability pursuant to applicable cost principles.

The extent of the cost analysis necessary will vary and shall be determined by the GM and/or TO on the basis of the amount and type of costs involved, the nature of the project, and past experience with the applicant, and/or availability of market prices.

STAFFING ASSIGNMENTS

The GM and/or technical staff will perform cost and price analysis of budget items and will document the outcome in the applicants file. The GM or TO must certify in writing the validity, accuracy, and reasonableness of the cost and price analysis. This documentation is maintained in the official grant file.

3.3 ENVIRONMENTAL ASSESSMENT AND REVIEW

Grants funds will not be disbursed until USAID environmental guidelines have been completed and the USAID Mission Environmental Officer has approved the environmental review of the proposed project. In the event it is determined that the grant's component will have a significant impact on the environment, the GM will provide guidance to grantees to ensure compliance with the environmental procedures outlined in 22 CFR 216.3, or pre-existing environmental mitigation plan. It is imperative that grantees understand and budget for the required environmental processes that may accompany their projects as Environmental Reviews and Assessment can be costly. Tetra Tech ARD will work closely with the Mission's Environmental Officer to ensure that the environmental assessments, reviews, and evaluations take place and are approved as required.

3.4 NEGOTIATION MEMORANDUM

Following the pre-award process, including cost and price analyses, the GM, in coordination and collaboration with the TO(s), will prepare a Negotiation Memorandum (NM) and keep a copy on file. The purpose of the NM is to document Tetra Tech ARD's pre-award process that describes the issues, concerns, discussions, and determinations that were all a part of the eligibility determination. For basic In-Kind grants, LARA will use the NM template found in Annex F, while for all other types of agreements, LARA will use the NM template found in Annex G.

STAFFING ASSIGNMENTS

The GM and the technical staff will share the responsibility for pre-award and negotiation activities. The GM will be tasked with gathering the relevant documentation, carrying out desk audits, and completing the PARD and/or SPAS. GM will perform a cost analysis, complete negotiation memorandums, and submit the pre-award/negotiation package to Tetra Tech ARD's SGM for review before submitting to USAID for approval.

3.5 CERTIFICATION REGARDING TERRORIST FINANCING (ATC)

Prior to signing Grant Agreements with NGOs, LARA must obtain a signed copy of the Certification Regarding Terrorist Financing (ATC) found in Annex Z.

3.6 EXCLUDED PARTIES LISTING SYSTEM (EPLS) & OFAC/SDN AND BLOCKED PARTY LIST

Prior to signing Grant Agreements with Grantees, LARA will check the Excluded Parties Listing System (EPLS) website for the name of the organization receiving funds and its key personnel. LARA will also check and keep on file the findings from OFAC's SDN & Blocked Person List. A copy of the search report for both reports will be kept on file.

STAFFING ASSIGNMENTS

The GM is responsible for obtaining original signed ATCs, which must be placed in the official grants file prior to grant award. The GM will also conduct the EPLS and OFAC check, and results will be copied and filed.

4.0 GRANT AWARD PROCESS

4.1 ESTABLISHING GRANT TYPES AND FORMATS

The grant type and format are dependent on the following factors: 1) dollar value of the grant; 2) duration of the grant activity; 3) nature of the grant activity; 4) anticipated payment method (cash advance, cash reimbursement, or an in-kind gift); and 5) classification of the grantee (Non-U.S., U.S.). The GM will determine the type of grant to be used taking into account the outcome of the Pre-Award Responsibility Determination.

The following grant formats may be issued under the LARA project:

- In-Kind Grants (IKG)
- Simplified Format Grants (SiG);
- Fixed Obligation Grants (FOG); and
- Standard Grants.

Templates for In-Kind Grants, Simplified Grants, Fixed Obligation Grants, and Standard Grants can be found in Annexes I, J, K and L respectively.

Tetra Tech ARD expects that in-kind grant agreements may be used within Afghanistan. The in-kind grants are used to provide in-kind (e.g. non-cash) gifts such as supplies, equipment, and/or services to Grantees. Tetra Tech ARD assumes procurement responsibility for all in-kind grants and therefore a review of the Grantees financial and program management standards, property standards, procurement standards, reports and records is not considered necessary. Rather, Tetra Tech ARD should establish that the grant activity is deemed an effective and efficient way to achieve the overall objectives of the grants program within the country of operation.

Fixed Obligation Grants may be used when a grant is results oriented and reimbursements can be tied directly to the achievement of specific and measurable milestones. Appropriate activities for FOGs include, but are not limited to conferences, studies, surveys, workshops, policy papers, disaster or humanitarian relief and assistance, and technical development assistance when costs can be segregated by milestone. FOGs are not appropriate for infrastructure or construction projects.

In addition to the factors mentioned in the paragraph above, the particular task order or contract and the requirements of the country combine to dictate the grant type and format. The population of possibilities is presented in Table 3.

Table 3: Grant Type by Recipient Classification and Dollar Threshold

Recipient Classification	Dollar Threshold ¹	Grant Type	Applicable ADS Regulation	Annex Reference
U.S.	< \$500,000	Simplified (FOG or SiG)	ADS 303	J & K

¹ ADS 303.3.25 and 303.3.26 authorizes Non-U.S. and U.S. NGOs to receive simplified grants up to \$500,000.

U.S.	> \$500,000	Standard (for U.S.)	ADS 303	L
Non-U.S.	<\$500,000	Simplified (FOG or SiG)	ADS 303	J & K
Non-U.S.	> \$500,000	Standard (for Non-U.S.)	ADS 303	L

Note: Simplified Grants consist of two formats: Fixed Obligation Grant (FOG) formats and Simplified Grant (SiG) Formats. The Grants Manager needs to understand when a FOG versus a SiG should be selected. Table 4 serves to summarize the historical updates and modifications that have impacted grant managers decisions regarding which type of simplified grant agreement format to use. In order for the Grants Manager to use a FOG, s/he will ensure that the grantee complies with the requirements of the FOG Entity Eligibility Checklist, a mandatory reference for ADS303.

Table 4: Requirements Simplified Grant vs. FOG

Cost Item	FOG	SiG
Cost Share	Optional (encouraged)	Optional (encouraged)
International Airfare	Not Allowed	Allowed must include RAASPs (a)
Indirect Costs	Allowed	Not Allowed
Purchasing Goods	Meet local financing rules Useful life < One Year Individually < \$5,000 USD	Meet local financing rules Useful life < One Year Individually < \$5,000 USD
Sub-agreements	Allowed	Not Allowed
Payment Method	Reimbursement or Advances	Reimbursement or Advances
Equipment Purchasing	Allowed Must include RAASPs (a)	Allowed Must include RAASPs (a)

(a) RAASP = Required As Applicable Standard Provisions

(b) MSP = Mandatory Standard Provisions

The Grants Manager will prepare the appropriate implementation instrument in accordance with Table 3 above. Copies of the grant agreement formats that are referenced in Table 3 above are provided as Annexes.

4.2 TERMS AND CONDITIONS OF GRANT AGREEMENT

The terms and conditions that will control the grant are set forth in the grant agreement signed by the Tetra Tech ARD COP and the grantee's authorized representative. The terms and conditions ensure that grant implementation and management are in full compliance with USAID policies, rules, and regulations. All grant agreements, at a minimum will contain the following items, clauses, and provisions as required.

4.2.1 Termination Rights

In accordance with ADS 302.3.5.6, the following clause will be included in all grant agreements:

“Tetra Tech ARD may unilaterally terminate the grant in whole or part, or suspend payments, if there is reasonable cause to believe that the grantee is or will be insolvent during grant

performance, if funding under USAID contract 306-0-00-08-00515-00 is no longer available or under extraordinary circumstances.”

In addition, Tetra Tech ARD will also include the following:

“USAID may unilaterally terminate or suspend this award in whole or part on an immediate basis because such assistance is deemed not in U.S. national interest, in violation of an applicable law or other extreme circumstance.”

4.2.2 Official Language

In case of inconsistency between any terms of the implementation instruments and any translation into another language, the English language meaning shall take precedent. The following clause will be included in all agreements:

“For the convenience of both parties involved, the signed document is in both English and [insert additional languages that may be used per Project]. In the event of inconsistency between the terms of this Grant and any translation into another language, the English language meaning shall control and shall be the one referred to in the case of any dispute.”

4.2.3 Branding and Marking

All Grantees under LARA are required to follow the USAID-approved Branding and Marking Plan (BMP). Furthermore, LARA grantees will be required to “Co-brand” their projects as established for grants under contract ADS 320. All grant agreements will contain the following branding and marking provision:

“The grantee shall co-brand all USAID partially or fully funded programs, projects, activities, public communications, and commodities. Co-branding is placing the USAID identity next to the award recipient's logo and ensuring equal size and prominence on USAID partially or fully funded programs, projects, activities, public communications, and commodities.”

All Grantees under the LARA are required to comply with the requirements of the USAID “Graphics Standards Manual” available at www.usaid.gov/branding, or any successor branding policy.

4.2.4 Tax Reporting

In accordance with AAPD 03-12 entitled “Reporting on Taxation of U.S. Foreign Assistance,” Tetra Tech ARD will ensure that this reporting requirement is included in all grant awards as considered applicable and within the guidance prescribed. All grantee tax reports will be consolidated with LARA’s overall tax reporting conducted every April 16th. This reporting requirement is not applicable in FOGs.

4.2.5 Prohibition against Terrorist Financing

U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. All NGOs will be required to sign the Anti-Terrorism Certificate (ATC), in accordance with AAPD 04-14 and every grant agreement will

include the following clause as taken from the Mandatory Standard Provision entitled Implementation of E.O. 13224 – Executive Order on Terrorist Financing:

“The Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/sub-awards issued under this Grant agreement.”

4.2.6 Mandatory Standard Provisions (MSP)

It is required to use and attach Mandatory Standard Provisions (MSP) to all standard grants, in accordance with ADS 303mab and ADS303maa; grantees are required to use these in all assistance agreements with non-U.S. organizations and U.S. organizations. Small grants formats require only applicable MSPs.

4.3 OBTAIN TETRA TECH ARD HOME OFFICE APPROVAL

Following the completion of the negotiation phase and responsibility determination, LARA will forward the draft copies of the NM and the grant agreement to the Tetra Tech ARD Home Office SGM for review and approval. To assist field offices with this procedure, Tetra Tech ARD has developed the “Grantee File Checklist” (Annex M). The grantee file checklist contains a list of the required documentation that should be in the grantee file prior to signing a grant agreement.

LARA GM will forward the following documents to the ARD Home Office SGM for review and approval:

- Grant Application (proposal);
- Budget;
- Pre-award Surveys;
- Copies of all signed and dated required certifications;
- Copy of EPLS with applicable organization and key individuals – no negative determination;
- Environmental Impact Assessment or Initial Environmental Examination (approved by USAID);
- Negotiation Memorandum;
- Justification for Exception to Competition (when required); and
- Draft Grant Agreement.

Should Tetra Tech ARD HO SGM approve, the LARA GM will receive the following email:

Subject: Tetra Tech ARD HO Approval of *{insert contract code, grant number or reference number and date}*

Receipt of this email indicates Tetra Tech ARD HO approval and LARA can proceed to obtain the approval from USAID.

4.4 OBTAIN USAID APPROVAL

As specified in the Contract Section H.13, unless otherwise directed by the Contracting Officer, the COTR shall have authority to approve the grant recipient selection. The GM will forward the grants package to the USAID COTR for approval and the USAID Mission Environmental Officer must approve all Environmental Reviews. Before signing grant agreements, Tetra Tech ARD must receive the prior

written approval of the USAID COTR including approval as to 1) the identity of the proposed grantee, 2) the amount of the proposed grant, and 3) the nature of the grant activities. The grants package consists of:

- Negotiation Memorandum, including project description and budget;
- Justification for Exception to Competition (when required); and
- Environmental Review.

Tetra Tech ARD shall submit the LARA Grants Management Plan (GMP) and the Annexes, which provides a narrative framework for managing GUCs in accordance with USAID policies, rules and regulations and other applicable reference to the CO. The GMP shall include consolidated resources for grants administration, which includes complete package of forms, applications, and procedural documentation required for an efficient and accountable grants management. Tetra Tech ARD shall ensure the requirements listed in Contract Section H.13 Grants Under USAID Contracts are included in the GMP. Upon approval of the GMP by the CO, the following approval procedures shall apply:

1. GUC – Under USD\$250K
 - Unless otherwise directed by the CO, Tetra Tech ARD shall request COTR approval of all individual grants under USD\$250K.

Requests will include Negotiations Memo including project description, budget, and competition record form and environmental approvals.

2. GUC – Over USD\$250K
 - Unless otherwise directed by the CO, Tetra Tech ARD shall request CO approval of all individual grants over USD\$250K.

Requests will include Negotiations Memo including project description, budget, and competition record form and environmental approvals.

The Contractor shall comply in all material respects with ADS 303.5 k —Guidance on Closeout Procedures for A&A Awards (revised Oct 2010) regarding grant close-out.

STAFFING ASSIGNMENTS

The GM will determine which grant format is the most appropriate for any given grant. Upon making the determination, the GM will include the steps in the Neg Memo, draft a grant agreement using templates approved. The Tetra Tech ARD Home Office GS will provide support and guidance to LARA GM to ensure grants compliance and accountability. The grant agreement can be drafted while waiting for USAID approval and as applicable Tetra Tech ARD HO GS will review and provide support.

5.0 GRANT ADMINISTRATION

Grants will be administered in accordance with the prime contract between USAID and Tetra Tech ARD and for awards to U.S. and non-U.S. NGOs, ADS 303 and 22 CFR 226, applicable OMB Circulars (i.e., A-110 for universities or higher learning institutions or A-122 for non-profit organizations, and A-133), and Standard Provisions for U.S. and non-U.S. Non-governmental Organizations. Furthermore, Tetra Tech ARD developed a Grants Policy and Procedures Manual (GPPM) to be provided as a handbook for grants management.

5.1 GRANTEE CODE OF CONDUCT

The grantee shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by LARA funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the grantee shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the grantee.

5.2 FINANCIAL MANAGEMENT

Grantees are expected to manage grant funds in accordance with 22CFR 226, the Mandatory Standard Provisions included in the grant agreement and generally accepted accounting principles. The following section provides key concepts and policies for the financial management of grants under Tetra Tech ARD.

5.2.1 Grantee Bank Account

The grantee must provide Tetra Tech ARD with the name and address of the bank, account number, and account name, which must be the official name of the organization.

Each Grantee shall establish appropriate accounting and financial control systems for the grant, including, but not limited to, the establishment of a separate and segregated financial accounting and record-keeping system, and a separate project account for depositing and disbursing project funds.

5.2.2 Grantee Accounting

The grantee shall maintain financial records, supporting documents, statistical records, and all other records pertinent to the grant in accordance with generally accepted accounting principles formally prescribed by the U.S., the cooperating country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to sufficiently substantiate charges to a grant. Accounting records with supporting documentation should show all costs incurred under the award, receipts, and use of goods and services acquired under the award, the costs of the program supplied from other sources, and the overall progress of the program.

5.2.3 Disbursement – Advance and Reimbursement

Advances are not authorized under In-Kind grants, therefore reimbursement method will be used. For In-Kind grants, LARA will make direct procurements and payments. For SiGs, FOGs and SGs, advance payments may be used, or the project may choose to utilize reimbursement payments only. The project should very carefully consider whether advance payments will be utilized, particularly for SiGs and FOGs since any advance payment introduces additional risk to the project.

For SiGs, all requests for reimbursement will be made for actual costs incurred on a monthly basis, when accompanied by supporting documentation for costs such as copies of receipts and employee timesheets. On a monthly basis, the Grantee will submit an Expense Reporting and Request for Reimbursement form and supporting documentation to the GM.

When a FOG is used, all requests for reimbursement must correspond to a tranche payment specified in the FOG Agreement. After achievement of an agreed-upon “trigger” milestone, the Grantee initiates the reimbursement by attaching a Request for Reimbursement-Fixed Obligation Grants Form to the deliverable and submitting the package to the GM for review, comments, and approval. The GM will verify with technical officers on program deliverables and the payment amount and availability of funding and forward to the Finance Office for payment processing. Tetra Tech ARD reserves the right to independently verify the milestone. In some cases, it may do so by means of verification by a third party of its choice.

For SiGs, FOGs and SG grants utilizing advances, Tetra Tech ARD will issue an initial advance of 30 days’ expenses. Subsequent advances will be for 30 days at a time, in accordance with the approved budget. Grantees may receive advance payments for grant expenditures. When advances are contemplated, the applicant will be required to maintain advanced funds in a separate interest-bearing account to ensure that Tetra Tech ARD funding is not commingled with non-Tetra Tech ARD funds. Interest earned on advanced funds will be handled in accordance with the standard provision “Payment Advances and Refunds (October 1998)” and the required as applicable standard provision “Payment-Advance (October 1998).” Grantees can request advances utilizing the Cash Transaction Report and Advance Request form. Cash advances to a Grantee shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the Grantee in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the Grantee for direct project costs and the proportionate share of any allowable indirect costs.

5.2.4 Direct Payment to Vendor

In some instances, Tetra Tech ARD may procure goods or services on behalf of the grantee to ensure that full and open competition is achieved or that purchases are compliant with specific regulations such as the source origin regulations found at 22CFR 228. All direct vendor payments must be specified in the signed grant agreement. Procurement actions that are executed by Tetra Tech ARD will be done so in accordance with its policies and procedures, including price negotiation. Tetra Tech ARD may request a grantee to participate in the procurement process in accordance with its instructions. A grantee may not negotiate with a vendor for alternate equipment, commodities, and/or services. Grantee questions and/or special requests must be submitted to Tetra Tech ARD, not to the vendor.

5.2.5 Financial Reporting forms

To facilitate grantee requests for payment, financial tracking, and reporting, Tetra Tech ARD has developed the following set of forms, which are referenced in this section and can be found in the document titled “Annexes to the GMP”:

- Annex N. Financial Reporting Forms and Instructions
- Annex O. Request for Advance/Reimbursement-FOG Form
- Annex P. Request for Advance/Reimbursement-SiG Form
- Annex Q. Request for Advance/Reimbursement-SG Form
- Annex R. Grantee Bank Account Reconciliation (GBAR)
- Annex S. Cost Share Reporting Form (CSR)
- Annex T. Federal Tax Reporting Form (FTR)

5.3 TITLE TO AND USE OF PROPERTY

All property purchased by or provided to grantees shall be subject to the “Title to and Use of Property (Recipient Title; over \$50,000) (October 1998) or “Title to and Use of Property (Recipient Title; under \$50,000) (October 1998) as applicable.

5.4 PROGRAM INCOME

Program income is the gross income earned by the grantee that is directly generated by a grant activity or earned as a result of the grant; the exceptions are program income earned after the end of the project period and program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under a grant, unless the terms and conditions of the award provide otherwise. Program income includes, but is not limited to, income from fees for services performed; the use or rental of real or personal property acquired under federally-funded projects; the sale of commodities or items fabricated under an award; license fees and royalties on patents and copyrights; and interest on loans made with award funds. Program income will be handled in accordance with the Required as Applicable Standard Provision “Program Income (1998).”

5.5 REPORTING

The Grantee will submit the following reports to the GM:

- Quarterly or monthly Technical Reports, including details of activity implementation, interim data on performance indicators as available, implementation challenges encountered during the reporting period (LARA may choose to require more frequent reporting as necessary);
- All Financial Reports as agreed upon in the award document (Annexes N-T); and
- Final Report, to be submitted to Tetra Tech ARD within 30 days of the expiration of the Agreement or such other date as stated in the grant agreement.
- Cost Sharing report - In accordance with ADS 303.5.10, cost sharing will be encouraged but not required. The inclusion of cost sharing by an applicant will require reporting along with the required financial report.
- Reporting on Taxation of U.S. Foreign Assistance - In accordance with AAPD 03-12 entitled “Reporting on Taxation of U.S. Foreign Assistance” issued December 10, 2003, LARA will ensure that this reporting requirement is included in all new awards as considered applicable and within the guidance prescribed. Note that this reporting requirement is not considered applicable in fixed obligation grants that do not provide for a specific good or service.

5.6 PERFORMANCE MONITORING

Site visits will periodically be conducted by Tetra Tech ARD personnel or counterparts. Technical personnel will be responsible for ensuring that the objectives of each grant are completed in a timely manner and will report on site visits to document grantee monitoring. The GM will review grantee expense reports for unallowable items and will verify that the expenses are within the scope of the budget.

Self-monitoring and assessment by the applicant will be required, and outcomes from this will be included in the periodic Project Performance reports (Annex U). In addition, grantees will be responsible for verifying and reporting on benchmark achievements. Verification methods include, but are not limited to, review of workshop or training attendance records, review of photo journals documenting project implementation period, Tetra Tech ARD staff attendance at ribbon ceremonies, submission of deliverables, etc.

5.7 MONITORING GRANTS UNDER CONTRACT (GUC)

The Tetra Tech ARD Home Office SGM and GS and the field office GM are responsible for ensuring that the LARA Grants program is in compliance with USAID regulations and the prime contract, through periodic monitoring of the grants documentation. The SGM and GS will also provide LARA support from the Home Office and out in the field in order to assist during the administration. During the implementation of the LARA grants program, Tetra Tech ARD HO will conduct internal compliance reviews to ensure full compliance and provide improvements to the GMP.

Independent evaluations by outside monitoring and evaluation specialists may be conducted on a random or as-needed basis. These evaluations may be used to 1) provide institutional assessment of the implementing organization, 2) determine the extent of the achievement of objectives under the grant, 3) determine the impact of the activity on the community and Tetra Tech ARD's overall mandate, and 4) extract lessons learned.

Tetra Tech ARD will report to USAID on the progress of grants awarded and implemented as part of its normal quarterly reporting process submissions. The report will stress contributions to overall Tetra Tech ARD Project objectives. It should also include any problems encountered and describe attempts to correct them.

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5.8 MODIFICATION OF GRANTS

Modification of an award requires the mutual written endorsement by Tetra Tech ARD and the grantee. The Award Modification Notice must be signed by both parties before any modifications are to move forward. Tetra Tech ARD has the authority to make the following types of modifications to active grants *without* USAID approval:

No-Cost Modification: A written modification will be issued when there is a need for material alteration of a programmatic aspect of an agreement without changing the original purpose of the grant and when there is no impact on cost.

No-Cost Extension: A written modification to change the end date of a grant without impact on costs. Non-competitive grants justified by the small award exception (ADS 303.3.6.5(d)) shall *not* be modified to extend the grant period beyond one year in *total* duration.

Budget Realignment: When Tetra Tech ARD exercises the option to restrict the grantee from transferring funds among cost categories, the grantee is required to obtain prior approval of the GM before making budget shifts which expect to exceed 10% of the total budget. The grantee may not exceed the total grant budget ceiling without Tetra Tech ARD prior approval, and Tetra Tech ARD may not increase the grant ceiling without prior USAID approval.

The following type of modification will require prior USAID approval:

Cost Extensions (Follow-on Awards): Cost extensions shall be treated as a non-competitive award. Cost extensions shall not present a major shift in technical focus or content from the original grant. Concomitantly, it is expected that the grantee will have gained technical insight and built capacity by means of lessons learned during original grant implementation. As such, these lessons learned should be clearly evident in the renewal request and contribute to overall activity impact.

The Grantee shall issue a letter to Tetra Tech ARD requesting the extension and justifying why the extension is requested. The Technical Manager shall review this request, and will perform an internal evaluation of the request to assess:

- The Grantee's implementation performance with respect to technical work plan;
- Whether project results address critical needs of beneficiaries;
- Whether project results further Tetra Tech ARD overall objective;
- Current Tetra Tech ARD program priorities and funding limitations;
- Whether the renewal would assist the Grantee to come to closure on defined objectives or transition to other funding source(s);
- The Grantee's administrative performance;
- The Grantee's commitment to cost containment; and
- The Grantee's responsiveness to Tetra Tech ARD guidance and direction.

If the TO determines that the renewal would be in the best interest of the program, the Technical Manager will forward the request for approval to the GM for approval and subsequent submission to USAID.

6.0 GRANT CLOSE-OUT

Tetra Tech ARD will follow the guidance provided in the CIB 90-12 with the subject header “Guidance for AID Missions – Closing out Contracts, Grants, and Cooperative Agreements” and 22 CFR 226.70-73 to guide the grant project closure process.

The final disbursement of a grant will be withheld pending a satisfactory closeout visit by Tetra Tech ARD field staff and the submission of final programmatic and financial reports. Staff will gather impact evaluation information during this visit. The grantee may be subject to a final audit as part of closeout activities, and adjustments may be required in the final disbursement.

The grantee must certify in writing to Tetra Tech ARD that the activity(ies) was (were) completed in accordance with the terms of the grant agreement. If the grantee cannot provide this certification, the grantee will be expected to make appropriate reimbursements to Tetra Tech ARD, as applicable.

In addition to the recipient-generated close-out report, the Grants Manager or his/her designee should produce a final report for each grant that has been completed or terminated. This report should compare the final achievements with the original objectives, and describe the reasons for deviations as well as describe any project barriers that were overcome during the implementation of the project.

6.1 PREPARATION FOR GRANT COMPLETION

Three months prior to the end of the grant period, the GM will prepare and deliver a letter outlining the close-out requirements to be completed before the end of the grant period (Annex V). This will assist the grantees to set final targets and prepare for the close out phase.

The final disbursement of a grant will be withheld pending a satisfactory close-out visit by Tetra Tech ARD field staff and the submission of final programmatic and financial reports. Technical staff will gather impact evaluation information during this visit. The grantee may be subject to a final audit as part of close-out activities and adjustments may be required in the final disbursement.

When FOG is used, the grantee must certify in writing to Tetra Tech ARD that the activities were completed in accordance with the terms of the grant agreement. If the grantee cannot certify, the grantee will be expected to make appropriate reimbursements to Tetra Tech ARD, if applicable. The GM will ensure that this certificate is obtained and included in the grant file (Annex W).

6.2 FINAL SITE VISITS

The GM or his/her designee will conduct the final site visit, including a desk audit, during the two-three months close-out period to determine if the established programmatic objectives and requirements have been achieved and ensure that the final reports are prepared according to requirements. The financial status will also be reviewed to ensure that all amounts claimed as direct costs appear acceptable under the grant and applicable cost principles, that final amounts for indirect costs have been determined (if applicable), and that the amount of the grantees cumulative claim does not exceed the total amount of the funds obligated under the grant. All unused balance for the grant funds will be returned to Tetra Tech ARD during the close-out phase.

6.3 GRANT EVALUATION

The GM or his/her designee will work with the grantees and the monitoring and evaluation technical team to complete the final external grant evaluations. Tetra Tech ARD will assist the grantees to develop a detailed scope of work for the evaluation process. The grantees will be encouraged to conduct an impact assessment based on the set objectives and accomplishments of the grant projects.

6.4 AUDITS

The Grantee shall assume full responsibility for effective and proper administration of the grant funds. Tetra Tech ARD reserves the right to audit the Grantee as described herein, and in the Grant Agreement.

Pursuant to the Standard Provision for Non-U.S. Organizations entitled “Accounting, Audit, and Records (October 1998),” if the Grantee expends *more* than \$300,000 in grants in a fiscal year, the Grantee shall conduct an external annual audit; the cost of which may be paid from the grant. To comply with these guidelines, Tetra Tech ARD will, when necessary, include “audit costs” in the approved grant budget. Tetra Tech ARD may also retain the services of an auditing firm to conduct these audits. Grantees that expend *less* than \$300,000 in a fiscal year shall open all financial record to Tetra Tech ARD and/or USAID upon request.

The Grantee shall maintain books, records, documents, and other evidence relating to the USAID grant in accordance with generally accepted accounting principles formally prescribed by the U.S. and Afghanistan to sufficiently substantiate charges to the grant.

The Grantee’s accounting records shall made available to Tetra Tech ARD and/or USAID or their designees for review for up to three years after the submission of the final reports, according to the Terms of the Grant Agreement.

6.5 GRANTEE RECORD RETENTION

All records generated by grantees will be retained for a period of three years after the completion of the grant project and should be made available for external audits of the Tetra Tech ARD Project Contract. Tetra Tech ARD anticipates that originals of all receipts will be maintained by the grantees and copies submitted to the Tetra Tech ARD project office. The mandatory standard provision “Accounting, Audit, and Records (October 1998)” will be included in all grant agreements.

6.6 GRANT AGREEMENT COMPLETION LETTER

LARA will prepare and deliver a letter stating the end of the grant period and close out requirements to the grantees two to three months before the end of the grant period. This will assist the grantees to set final targets and prepare for the close out phase.

6.7 GRANT RECORDS

The LARA office is required to keep the following records pertaining to the grants program, which shall be shipped to the Tetra Tech ARD Home Office upon completion of the prime contract:

1. Requests for Applications/Annual Program Statements;
2. The Grant Application/Proposal;
3. Grant Application/Proposal Evaluations;
4. Pre-award Surveys and supporting documentation;

5. Certifications;
6. Negotiation Memorandums;
7. Environmental Impact Assessment, when applicable;
8. Justifications for Exceptions to Competition;
9. Grant Agreement;
10. Grant Agreement Amendments;
11. USAID Approval of the Grant;
12. Monthly/Quarterly Technical Reports;
13. Monthly/Quarterly Financial Reports;
14. Grantee Monitoring Reports/Field Visit Reports;
15. Final Technical Report;
16. Final Financial Report;
17. Final Evaluation;
18. Audit Reports;
19. Closeout Report;
20. Communications;
21. Certification of Completion for FOGs; and
22. Final Inventory Disposition Instructions.

ANNEXES

Annex A. LARA Concept Paper Evaluation Form
Annex B. Grant Application Form
Annex C. Grant Application Evaluation Form
Annex D. Simplified Pre-Award Survey Form (SPAS)
Annex E. Standard Pre-award Survey Form (PARD)
Annex F. In-Kind Negotiation Memorandum
Annex G. Negotiation Memorandum Form
Annex H. LARA Proposal Competition Record
Annex I. In-Kind Grant Agreement Form
Annex J. Simplified Grant Agreement Form (SiG)
Annex K. Fixed Obligation Grant Agreement Form (FOG)
Annex L. Standard Grant Form Agreement (SG)
Annex M. Grantee File Checklist Form
Annex N. Financial Reporting Forms and Instructions
Annex O. Request for Advance/Reimbursement/Financial Report-FOG Form
Annex P. Request for Advance/Reimbursement/Financial Report-SiG Form
Annex Q. Request for Advance/Reimbursement/Financial Report-SG Form
Annex R. Grantee Bank Account Reconciliation (GBAR)
Annex S. Cost Share Reporting Form (CSR)
Annex T. Federal Tax Reporting Form (FTR)
Annex U. Project Performance Reporting Form
Annex V. Preparation for Grant Closure Letter
Annex W. Grant Completion Certificate Form
Annex X. LARA Title Transfer Document Form
Annex Y. Web-links
Annex Z. Certifications and Mandatory Standard Provisions Table and templates
Annex AA. Environmental Review Form

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